

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: October 12, 2016

PERSONNEL LETTER #16-015

TO: All Agencies/Campuses in the Uniform State Payroll System

FROM: Debra Spellman, Chief
Personnel/Payroll Services DivisionRE: **2015 ACA STATUS CODE CORRECTION PROCESS****BACKGROUND:**

In order to implement the ACA Employer Shared Responsibility provisions, the State Controller's Office (SCO) deployed the Affordable Care Act System (ACAS) database in January 2015. The ACAS database serves as the official tracking and reporting repository of ACA required information for Civil Service, California State University (CSU), and Judicial Council (JUD) employees. The ACAS provides a single centralized source of current and historical health benefit status data for employees.

Under the Affordable Care Act (ACA), the State of California is required to furnish a statement to federally qualified full time employees with information regarding the health coverage that was offered, if any, to the employee and their dependents, using IRS Form 1095-C. Any employee who was appointed to a time-base of 3/4 or more for at least one month during 2015, and those who were appointed to an intermittent time base and averaged 130 or more hours of service for one or both control periods in 2015, have been issued a 1095-C.

The first file for ACA reporting containing all the employees that were sent a 1095-C has been submitted to the Internal Revenue Service (IRS) for processing. In order to validate the data submitted to the IRS, SCO audited all employees that were sent a 1095-C. The purpose of the audit was to ensure that the information keyed on the ACAS followed the ACA guidelines, specifically regarding effective dates and appropriate ACA status codes. The dates and ACA status codes directly impact the accuracy of the ACA reporting to the IRS.

The information SCO reports to the IRS must be accurate and complete to avoid penalties. Penalties assessed by the IRS due to incorrect data will be charged directly to the reporting agency. Departments/campuses are expected to review all ACAS entries for 2015 and ensure that the ACAS information correct.

SCO identified multiple scenarios where ACA Status Codes are frequently entered incorrectly into the ACAS. As an ongoing effort to help departments avoid penalties and maintain accurate ACA data, the SCO will reach out to departments/campuses to assist with data clean-up. This personnel letter is the first in a series of outreach attempts. The letter provides examples of four different errors, as well as examples of how the data should have been entered. These reports are a starting point to identify errors and correct the data as required. There will be employees not listed on these reports that will require correction. As we send out additional correction reports we expect these reports be used as tools for you to see how the data should be displayed, corrected and processed going forward.

REPORTS:

SCO has released four correction reports through ViewDirect to departments/campuses as follows:

- PDA1230A (PPS) SEP OR TEMP SEP EE W/OUT HB CANCELLATION CODE
- PDA1230B (PPS) ACTIVE EE WITH HEALTH BENEFIT CANCEL CODE (5C, 5D)
- PDA1230C (PPS) HB CANCEL CODE W/EFF DATE PRIOR TO END OF MONTH
- PDA1233A (PPS) HB ELIGIBLE PI EE W/O OFFER WHO RECEIVED 2015 1095-C

Data for the correction reports is as of 12/31/2015. This reflects the data that has already been sent to the IRS. If employees listed on the correction report for your agency have already been corrected, then consider this correction effort for that specific employee as complete.

ACTION:

Review each of the above listed reports and verify the current ACA status for **each employee** listed.

Listed below is a sample of correct and incorrect ACA Status Code entries for each of the four correction reports. Use the samples as examples of how to make corrections as needed.

Departments/campuses are required to **CORRECT** their database entries when applicable.

Departments/campuses must review all ACA entries for 2015 and ensure that the information displayed is accurate as directed by the IRS. **All corrections must be completed by October 31, 2016.**

*As stated above, some of the employees listed on the correction reports may have already been corrected in the ACAS database.

After the report samples located below, we have included a section on how to **void transactions** necessary for correcting ACAS data. These samples of voided transactions are not related to the correction reports. The voided samples are a mockup of various scenarios and they reflect the correction process for what is displayed.

For additional information regarding various scenarios please visit the SCO website, under the elearning tab. The document titled, [A Scenario Specific Job Aid for Updating the ACAS Database](#) has various scenarios to reference when entering ACA Status codes.

PDA1230A: (PPS) SEP OR TEMP SEP EE W/OUT HB CANCELLATION CODE

Sample: Employee was offered benefits (1A), accepted benefits (3A), and then separated. The ACA database does not reflect the **separation**. The correct status code is **5D** (cancellation) effective on the last calendar day of the month after the separation date.

CORRECT:

EFF DATE TRAN
08/17/16 S70

SUFFIX	POS	SEQ	POSITION	NUMBER	STATUS	TENURE	TB	HEALTH COV	NOTICE	DATE
12/11/2015										
YEAR	EFFECTIVE	TRAN	ACA	ENTRY	SCO USE ONLY	POSITION	NUMBER			
	DATE	CODE	STATUS	DATE	UPDATED BY					
2016	09/30/2016	ACA	5D	09/27/2016	SCO ADMIN	SEE	PIMS			
2015	01/01/2015	ACA	3A	12/11/2015	INITIAL LOAD	SEE	PIMS			
	01/01/2015	ACA	1A	12/11/2015	INITIAL LOAD	SEE	PIMS			

INCORRECT:

SUFFIX	POS	SEQ	POSITION	NUMBER	STATUS	TENURE	TB	HEALTH COV	NOTICE	DATE
12/11/2015										
YEAR	EFFECTIVE	TRAN	ACA	ENTRY	SCO USE ONLY	POSITION	NUMBER			
	DATE	CODE	STATUS	DATE	UPDATED BY					
2015	01/01/2015	ACA	3A	12/11/2015	INITIAL LOAD	SEE	PIMS			
	01/01/2015	ACA	1A	12/11/2015	INITIAL LOAD	SEE	PIMS			

PDA1230B: (PPS) ACTIVE EE WITH HEALTH BENEFIT CANCEL CODE (5C, 5D)

Sample: Employee has an **ACA Status code** 5C (cancellation) or 5D (cancellation) when the position status is not Separated.

CORRECT:

EFF DATE TRAN
12/02/15 A02

SUFFIX	POS	SEQ	POSITION	NUMBER	STATUS	TENURE	TB	HEALTH COV	NOTICE	DATE
					ACTIVE					12/31/2014

YEAR	EFFECTIVE	TRAN	ACA	ENTRY	SCO USE ONLY	POSITION NUMBER				
	DATE	CODE	STATUS	DATE	UPDATED BY					
2015	12/02/2015	ACA	2A	09/27/2016	SCO ADMIN	SEE PIMS				
	06/30/2015	ACA	5D	05/27/2015	SCO ADMIN	SEE PIMS				
2014	12/31/2014	ACA	3A	01/01/2015	INITIAL LOAD	SEE PIMS				
	12/31/2014	ACA	1A	01/01/2015	INITIAL LOAD	SEE PIMS				

INCORRECT:

SUFFIX	POS	SEQ	POSITION	NUMBER	STATUS	TENURE	TB	HEALTH COV	NOTICE	DATE
					ACTIVE					12/31/2014

YEAR	EFFECTIVE	TRAN	ACA	ENTRY	SCO USE ONLY	POSITION NUMBER				
	DATE	CODE	STATUS	DATE	UPDATED BY					
2015	06/30/2015	ACA	5D	05/27/2015	SCO ADMIN	SEE PIMS				
2014	12/31/2014	ACA	3A	01/01/2015	INITIAL LOAD	SEE PIMS				
	12/31/2014	ACA	1A	01/01/2015	INITIAL LOAD	SEE PIMS				

PDA1230C: (PPS) HB CANCEL CODE W/EFF DATE PRIOR TO END OF MONTH

Sample: Employee that has **ACA status code** 5A, 5B, 5C, or 5D (cancellation) that was not effective on the last calendar day of the month. The correct entry shows the 5A, 5B, 5C, or 5D (cancellation) effective the last calendar day of the month after the separation date.

CORRECT:

EFF DATE	TRAN
12/25/15	S70

SUFFIX	POS	SEQ	POSITION	NUMBER	STATUS	TENURE	TB	HEALTH COV NOTICE DATE
								09/16/2015
YEAR	EFFECTIVE	TRAN	ACA	ENTRY	SCO USE ONLY			POSITION NUMBER
	DATE	CODE	STATUS	DATE	UPDATED BY			
2016	01/31/2016	ACA	5D	02/01/2016	SCO ADMIN			SEE PIMS
2015	10/01/2015	ACA	3A	12/04/2015	SCO ADMIN			SEE PIMS
	10/01/2015	ACA	1A	12/04/2015	SCO ADMIN			SEE PIMS
	09/16/2015	ACA	2D	12/04/2015	SCO ADMIN			SEE PIMS

INCORRECT:

SUFFIX	POS	SEQ	POSITION	NUMBER	STATUS	TENURE	TB	HEALTH COV NOTICE DATE
								09/16/2015
YEAR	EFFECTIVE	TRAN	ACA	ENTRY	SCO USE ONLY			POSITION NUMBER
	DATE	CODE	STATUS	DATE	UPDATED BY			
2016	01/09/2016	ACA	5D	02/01/2016	SCO ADMIN			SEE PIMS
2015	10/01/2015	ACA	3A	12/04/2015	SCO ADMIN			SEE PIMS
	10/01/2015	ACA	1A	12/04/2015	SCO ADMIN			SEE PIMS
	09/16/2015	ACA	2D	12/04/2015	SCO ADMIN			SEE PIMS

PDA1233A: (PPS) HB ELIGIBLE PI EE W/O OFFER WHO RECEIVED 2015 1095-C

Sample: Employee was eligible for benefits based on working an average of 130 hours or more in a control period, but an **ACA Status code** of 1A (offer) was not entered. The correct entry would be a 2B (control period) and 1A (offer), followed by an appropriate acceptance or decline ACA Status Code.

CORRECT*:

SUFFIX	POS	SEQ	POSITION	NUMBER	STATUS	TENURE	TB	HEALTH COV	NOTICE DATE
									03/01/2015

YEAR	EFFECTIVE	TRAN	ACA	ENTRY	SCO	USE	ONLY	POSITION	NUMBER
	DATE	CODE	STATUS	DATE		UPDATED	BY		
2015	09/01/2015	ACA	3A	09/01/2015	SCO	ADMIN		SEE	PIMS
	09/01/2015	ACA	1A	09/01/2015	SCO	ADMIN		SEE	PIMS
	08/01/2015	ACA	2D	03/01/2015	SCO	ADMIN		SEE	PIMS
	03/01/2015	ACA	2B	03/01/2015	SCO	ADMIN		SEE	PIMS

INCORRECT:

SUFFIX	POS	SEQ	POSITION	NUMBER	STATUS	TENURE	TB	HEALTH COV	NOTICE DATE
									03/01/2015

YEAR	EFFECTIVE	TRAN	ACA	ENTRY	SCO	USE	ONLY	POSITION	NUMBER
	DATE	CODE	STATUS	DATE		UPDATED	BY		
2015	03/01/2015	ACA	2B	03/01/2015	SCO	ADMIN		SEE	PIMS

*With this example it is possible that an employee will be placed back into a waiting period 2D (not offered) if they did not meet the next control period for eligibility. However, when an employee has met the 130 hours criteria for eligibility in any control period an offer must be displayed.

HOW TO VOID TRANSACTIONS:

When correcting employee data, voiding transactions is required. Here's an example of voiding a transaction that is not the most current transaction. All of the transactions keyed above the incorrect transaction must be voided then re-keyed. Listed below are examples of how to fix incorrect data on ACAS. As stated above these samples do not refer to the examples listed above.

Before:

The 5D was incorrectly keyed with an effective date of 07/01/2015. The SEP date was 06/18/2015 so the effective date should have been 07/31/2015.

SUFFIX	POS	SEQ	POSITION	NUMBER	STATUS	TENURE	TB	HEALTH COV	NOTICE DATE
05/02/2016									
YEAR	EFFECTIVE DATE	TRAN CODE	ACA STATUS	ENTRY DATE	SCO USE ONLY	UPDATED BY	POSITION NUMBER		
2016	06/01/2016	ACA	3A	05/11/2016	SCO ADMIN		SEE PIMS		
	06/01/2016	ACA	1A	05/11/2016	SCO ADMIN		SEE PIMS		
	05/02/2016	ACA	2D	05/11/2016	SCO ADMIN		SEE PIMS		
2015	07/01/2015	ACA	5D	08/13/2015	SCO ADMIN		SEE PIMS		
2014	12/31/2014	ACA	3A	01/01/2015	INITIAL LOAD		SEE PIMS		
	12/31/2014	ACA	1A	01/01/2015	INITIAL LOAD		SEE PIMS		

Void most current transaction until the 5D is voided:

1. Void 3A with Effective Date 06/01/2016
2. Void 1A with Effective Date 06/01/2016
3. Void 2D with Effective Date 05/02/2016
4. Void 5D with Effective Date 07/01/2015

After voiding:

SUFFIX	POS	SEQ	POSITION	NUMBER	STATUS	TENURE	TB	HEALTH COV	NOTICE DATE
05/02/2016									
YEAR	EFFECTIVE DATE	TRAN CODE	ACA STATUS	ENTRY DATE	SCO USE ONLY	UPDATED BY	POSITION NUMBER		
2016	06/01/2016	ACAV	3A	09/26/2016	SCO ADMIN		SEE PIMS		
	06/01/2016	ACAV	1A	09/26/2016	SCO ADMIN		SEE PIMS		
	05/02/2016	ACAV	2D	09/26/2016	SCO ADMIN		SEE PIMS		
2015	07/01/2015	ACAV	5D	09/26/2016	SCO ADMIN		SEE PIMS		
2014	12/31/2014	ACA	3A	01/01/2015	INITIAL LOAD		SEE PIMS		
	12/31/2014	ACA	1A	01/01/2015	INITIAL LOAD		SEE PIMS		

Key transactions with correct effective dates:

1. Key 5D with Effective Date 07/31/2015
2. Key 2D with Effective Date 05/02/2016
3. Key 1A with Effective Date 06/01/2016
4. Key 3A with Effective Date 07/01/2016

After keying with correct effective dates:

SUFFIX	POS	SEQ	POSITION	NUMBER	STATUS	TENURE	TB	HEALTH COV NOTICE DATE
05/02/2016								

YEAR	EFFECTIVE DATE	TRAN CODE	ACA STATUS	ENTRY DATE	SCO USE ONLY UPDATED BY	POSITION NUMBER		
2016	07/01/2016	ACA	3A	09/26/2016	SCO ADMIN	SEE PIMS		
	06/01/2016	ACA	1A	09/26/2016	SCO ADMIN	SEE PIMS		
	06/01/2016	ACAV	3A	09/26/2016	SCO ADMIN	SEE PIMS		
	06/01/2016	ACAV	1A	09/26/2016	SCO ADMIN	SEE PIMS		
	05/02/2016	ACA	2D	09/26/2016	SCO ADMIN	SEE PIMS		
	05/02/2016	ACAV	2D	09/26/2016	SCO ADMIN	SEE PIMS		
2015	07/31/2015	ACA	5D	09/26/2016	SCO ADMIN	SEE PIMS		
	07/01/2015	ACAV	5D	09/26/2016	SCO ADMIN	SEE PIMS		
2014	12/31/2014	ACA	3A	01/01/2015	INITIAL LOAD	SEE PIMS		
	12/31/2014	ACA	1A	01/01/2015	INITIAL LOAD	SEE PIMS		

If you have any questions, please contact the SCO ACAS Online Support Group at (916) 322-3770 or ACASupport@sco.ca.gov.

DS:TM:PMAB